the Board for Restructuring of Public Sector Enterprises (BRPSE) and based on the recommendations of the BRPSE, the Government decided that disinvestment of CIWTC (minus the Rajabagan Dockyard) may be taken up after the implementation of:—

(i) Handing over of Rajabagan Dockyard (RBD) alongwith existing manpower, assets and liablities to Garden Reach Ship Builders & Engineers (GRSE) or to any other PSE on outright purchase/ long term lease/management contract basis.

(ii) Write-off of interest and conversicn of outstanding principal amount into equity.

(iii) Introduction of VRS.

(c) Action on implementation of (i) to (iii) above has been initiated by the Department of Shipping.

Review of Full Capital Account convertibility

†3257. SHRI MANGANI LAL MANDAL: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have asked Reserve Bank of India to give their advice and recommendations after reviewing the situation keeping in view the full convertibility of capital account;

(b) whether it is also a fact that Tarpore Committee in 1997 had recommended the convertibility of whole capital account which could not be implemented;

(c) whether it is a fact that the Reserve Bank of India has again appointed a committee of six members under the chairmanship of Shri S.S. Tarpore for the same purpose; and

(d) if so, the details thereof and the basic objectives of Government?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) Yes, Sir. The Reserve Bank of India (RBI), in consultation with the Government of India, have appointed a committee for setting out a road map for fuller capital account convertibility.

(b) The Tarapore Committee set up in 1997 had recommended a sequenced move towards capital account convertibility subject to

† Original notice of the question was received in Hindi.

attainment of certain minimum macroeconomic preconditions/signposts. While some of these preconditions have been achieved, some are yet to be attained.

(c) and (d) The RBI have constituted a committee, under the chairmanship of Shri S.S. Tarapore, which has Dr. Surjit S. Bhalla, Shri M.G. Bhide, Dr. R.H. Patil, Shri A.V. Rajwade, and Dr. Ajit Ranade, as its members. The terms of reference of the committee are:

(i) Review the experience of various measures of capital account liberalization in India.

(ii) Examine implications of fuller capital account convertibility on monetary and exchange rate management, financial markets and financial system.

(iii) Study the implications of dollarisation in India of domestic assets and liabilities and internationalization of the Indian rupee.

(iv) Provide a comprehensive medium-term operational framework with sequencing and timing for fuller capital account convertility taking into account the above implications and progress in fiscal and revenue deficits of both centre and states.

(v) Survey the regulatory framework in countries which have advanced towards fuller capital account convertibility.

(vi) Suggest appropriate policy measures and prudential safeguards to ensure monetary and financial stability.

(vii) To make such other recommendations as the Committee may deem relevant to the subject.

The Committee is expected to submit its report by July 31, 2006 to RBI.

Irregularities in Financial works of Ministries

†3258. SHRI DILIP SINGH JUDEV: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that CAG has pointed out gross irregularities in the performance of financial work of some Ministries and Undertakings of the Central Government resulting in loss of crores of rupees to the country;

† Original notice of the question was received in Hindi.